



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

THE UNDER SECRETARY OF DEFENSE

3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

22 MAY 2003

Lawrence P. Farrell, Jr.
President and Chief Executive Officer
National Defense Industrial Association
2111 Wilson Boulevard, Suite 400
Arlington, VA 22201-3061

Dear Mr. Farrell:

I would like to take this opportunity to acknowledge the major NDIA effort that resulted in the *Program Managers' Guide to the Integrated Baseline Review Process*. In 1995, our acquisition Program Managers (PMs) began conducting Integrated Baseline Reviews (IBRs) on contracts with Earned Value Management (EVM) requirements. IBRs are intended to provide a mutual understanding of risks inherent in contractors' performance plans and underlying management control systems.

Properly executed, IBRs are an essential element of a PM's risk management approach. However, as NDIA noted, industry has been concerned about IBRs not meeting their stated goal. As a result, a team of NDIA industry members reviewed the IBR process to assess IBR conformance to Department of Defense (DoD) policy. The team found that most IBRs generally conform to DoD policy, but the team also found inconsistent policy interpretation and varying degrees of focus on operational management processes.

As a consequence, the team developed the IBR Guide to improve the consistency of the overall IBR process. The Guide clearly defines the purpose, goals, and objectives of an IBR. It also describes attributes of an effective IBR and discusses a baseline review process that will lead to a better understanding of program risks.

I commend the team that produced the IBR Guide. Their shared vision and determination yielded a product that represents a constructive way forward in improving the management and ultimately the outcomes of Defense contracts.

Sincerely,

E.C. Aldridge, Jr.

